



# VETIVA S&P NIGERIAN SOVEREIGN BOND ETF ("VS&P BOND ETF")

Wednesday, 30<sup>th</sup> November 2022

## FUND DETAILS

Listing Date	24th October 2016
Listing Price	₦130.27
Domicile	Nigeria
Currency	Naira (NGN)
Stock Exchange	Nigerian Stock Exchange
NSE Code	VSPBONDEF
ISIN	NGVSPBNDEF1
Bloomberg	VSPBOND NL
Gross Expenses	0.40%
NAV/Unit (30.11.2022)	NGN 135.97
Units Outstanding	3,520,359 units
Rebalancing Frequency	Half-Yearly
Closing Price (30.11.2022)	₦ 165.93

## DISTRIBUTION DETAILS

No. of Distributions	9
2016 (Total)	₦1.00
2017 (Total)	₦15.00
2018 (Total)	₦16.00
2019 (Total)	₦16.50
2020 (Total)	₦15.30
2021 (Total)	₦15.00
2022 (Interim)	₦7.00
Distribution Frequency	Semi - Annual

## INDEX CHARACTERISTICS

Benchmark Index	S&P/FMDQ Nigeria Sovereign Bond Bond Index
Number of Holdings	16
Ticker	SPFINGU
S&P/FMDQ Nigeria Index	578.78
Benchmark Index	S&P/FMDQ Nigeria Sovereign Bond Bond Index

## FUND DESCRIPTION

The Vetiva S&P Nigerian Sovereign Bond ETF is an optimized Bond ETF issued by Vetiva Fund Managers Limited ("VFM" or "Fund Manager"). The ETF seeks to track the S&P/FMDQ Nigerian Sovereign Bond Index.

## INDEX DESCRIPTION

The S&P/FMDQ Nigeria Sovereign Bond Index tracks the performance of local currency denominated sovereign debt publicly issued by the government of Nigeria in its domestic market. The Index level is available through S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com).

## FIXED INCOME MARKET SUMMARY & OUTLOOK

Despite higher rates in the fixed income market, government borrowings rose 36% m/m. The Central Bank of Nigeria conducted one NTB auction in November, with borrowings on the 1DTM paper rising 37% to ₦4.52 billion, while the 364DTM paper rose by 134% to ₦300.16 billion. However, the total borrowed on the 182DTM note fell 56.9% to ₦5.43 billion.

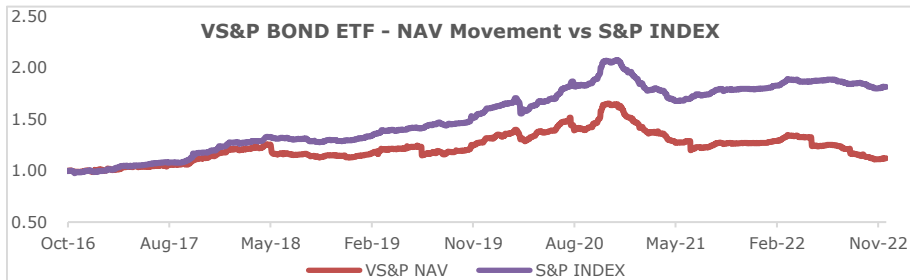
At the previous auction in October, stop rates had risen to 6.50%, 8.05%, and 14.5%. In November, the rates on the 91DTM and 182DTM notes remained unchanged. However, there was a moderation in the stop rate of the 364DTM note to 13.99%. Meanwhile, for the monthly bond auction, we saw government borrowings surge, which rose by 704% for the 5-Year, 128% and 134% for the 10-Year and 15-Year maturities respectively. Furthermore, we saw stop rates rise to 14.75%, 15.20% and 16.20% (previous: 14.50%, 15.00%, and 16.00%).

At the conclusion of the November MPC meeting, the CBN raised its benchmark rate by 100bps to 16.50%, as inflationary pressures remained resilient. The rate hike was less aggressive than the previous one of 150bps in September. We expect investors to react to the latest policy decision, and as such, foresee higher yields in the market this December. On the one hand, we expect government borrowings to increase as the 2023 Presidential Election draws near. However, we expect these borrowings to come at a higher cost as we anticipate higher stop rates being offered at the bi-weekly and monthly bond auctions.

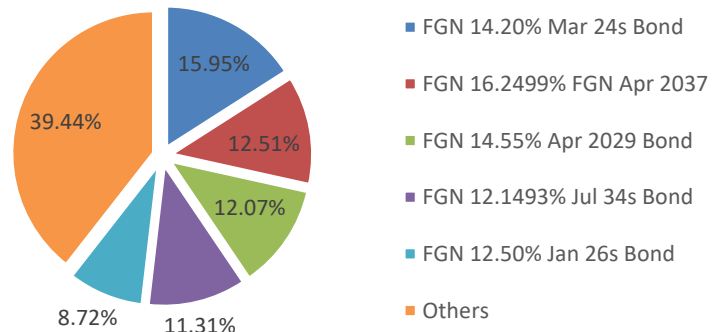
## PERFORMANCE HISTORY<sup>1</sup>

RETURN	ETF NAV*	S&P/FMDQ Nigerian Bond Index
Month to Date	1.09%	1.40%
Quarter to date	-2.21%	-2.64%
Year to Date	-0.50%	1.58%
Return from Listing Date	76.34%	121.68%

\*Performance inclusive of distribution to unitholder within period



## HOLDINGS



\*Holdings are subject to change.



1. *The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling +234(01) 2700658 or by visiting [www.vetiva.com/funds](http://www.vetiva.com/funds).*
2. *The Fund is subject to tracking errors which is the risk that its returns may not correlate accurately to those of the Index. Tracking errors can be caused by the following: capital gains distribution, index changes, cash drag, fund management and trading fees.*

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